

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Rec'd 06/08/2020 - NMOCD

Form C-129
Revised May 13, 2020

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant Murchison Oil and Gas, LLC,

whose address is 7250 Dallas Parkway, Ste. 1400, Plano, TX 75024,

hereby requests an exception to Rule 19.15.18.12 for 90 days beginning 06/20/2020 or until

September 18, 2020 for the following described tank battery (or LACT):

Name of Lease Ogden State 9H (30-015-37701) Name of Pool Black River; Delaware, South

Location of Battery: Unit Letter K Section 2 Township 25S Range 26E

Number of wells producing into battery 1

B. Based upon oil production of 2 barrels per day, the estimated * volume

of gas to be flared is 1 MCF; Value \$1 per day.

C. Name and location of nearest gas gathering facility:

DCP Black River Booster Station located 2 miles northeast of subject well

D. Distance 2 miles Estimated cost of connection \$2,500,000

E. Confirmed compliance with conditions required by New Mexico State Forestry's issuance of Order 2020-01
SMOKING, FIREWORK, CAMPFIRE, AND OPEN FIRE RESTRICTIONS FOR NEW MEXICO issued May 13,
2020 (Circle one) Yes No

F. This exception is requested for the following reasons: No economic gas pipeline connection has
been discovered which will handle the H2S content. We are continuing to look for a gas sales option.
In the mean time, we need to flare gas production to maintain the oil production.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

Signature [Signature]

Printed Name
& Title Gary R. Cooper, Vice President Operations

E-mail Address rcooper@jdmii.com

Date 06/8/20 Telephone No. 972-931-0700

OIL CONSERVATION DIVISION

Approved Until June 20-Sept.18, 2020 (90 days)

By Kurt Simmons

Title Petroleum Specialist, Santa Fe

Date 06/08/2020

* Gas-Oil ratio test may be required to verify estimated gas volume.